

New Ukrainian peace deal is wrapped in a time bomb

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When world leaders pull an all-nighter, something has to come out of it. What came out of the 17-hour, Ironman-level endurance test last week in Minsk was a cease-fire deal for eastern Ukraine that mitigates the Kiev government's defeat in a war it could not have won, gave Russian-backed rebels two days to make final territorial gains and freezes the conflict until next year.

The challenge now is to make this cease-fire stick where previous ones didn't. It's not clear if Russian President Vladimir Putin, who has proven to be an unreliable negotiating partner in recent months, will stand by the few concessions he made.

If he can be held to them, it will be a major diplomatic victory for German Chancellor Angela Merkel. My bet, however, is that this is not the final round of high-level talks: The deal resulting from the negotiating marathon is too contradictory to work long term.

Two separate documents came out of the meeting: an empty declaration, in which the negotiating parties affirm "full respect for the sovereignty and territorial integrity of Ukraine," and a three-page, 11-point document purporting to be a road map to the implementation of last September's cease-fire agreement. It is, in fact, a new deal, more favorable to the Russian-backed rebels than the September agreement.

According to it, fighting was to cease at midnight Feb. 15. The Ukrainian military was to pull back its artillery at least 50 km from the current separation line, which the rebels have moved significantly in recent months:

In a meaningless compromise, the rebels were supposed to pull back the same distance from the line agreed to in September. This means, in theory, that neither side will be able to shell the other's territory.

It also means the pro-Russian forces get to keep all they have won in the period since September, and probably all they added in the two days during which fighting was still permitted, according to the document.

Kiev is called on to observe a now-dissolved law passed by the Ukrainian parliament in September granting special status to the rebel-held territories. It's supposed to call local elections in those areas and clearly determine their borders — but only in accordance with the September deal.

This is a clear contradiction with the military part of the new agreement, leaving separatist gains of the last five months in limbo, formally ruled from Kiev but militarily held by the rebels.

This is a time bomb under today's

deal that Russia could detonate at any moment if it is unhappy with Ukraine's compliance with the rest of the terms.

Russia has already shown its negotiating partners how that could happen: The leaders of the two self-declared "people's republics" of eastern Ukraine, who were present in Minsk but not taking part in the main talks, briefly refused to approve the deal about an hour before it was made public, although they eventually signed on.

The remaining terms strengthen the rebels' position, putting the onus of maintaining peace on Ukraine. Kiev is supposed to give amnesty to all the rebel fighters, restore the banking system in the "special status" areas and resume the payment of pensions and social benefits to residents there.

In a major departure from the Sep-

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tember agreements, Ukrainian control of its border with Russia is only to resume by the end of 2015, after local elections are held and after Ukraine conducts constitutional reform granting permanent autonomy to the rebel areas, which include the two biggest cities in the east — Donetsk and Luhansk.

This proposed reform is described in some detail in the document. It would grant the local governments the right to form their own police forces and a say in appointing prosecutors and judges. Ukraine would be unable to strip local government members of their powers, and the autonomous regions would have the right to choose their own official language — which is certain to be Russian rather than Ukrainian.

"Russia is a federal state, but our regions can only dream of even a tenth of these powers," top Russian anti-Putin opposition figure Alexei Navalny tweeted after reading the Minsk document.

Contrary to previous suggestions from Moscow, the eastern regions will have no veto over Ukraine's foreign policy decisions. Ukraine, however, is unlikely to be able to join the North Atlantic Treaty Organization anytime soon, a point French President Francois Hollande emphasized before the talks. The situation is far too volatile for that, and the threat of hostilities resuming will be a Damocles' sword hanging over both Ukraine and NATO.

All in all, the agreement is as close to a deal on Putin's terms as decency allows. That's why, as he came out of the talks in an apparently breezy mood, he quipped that this was "not the best night of his life but a good morning."

Though the deal doesn't grant Putin his ultimate wish — to keep Ukraine within Russia's orbit economically and politically — he couldn't have hoped for that without a decisive military victory. The optics are good for him domestically, though, and Putin can hope to cut the costs of war, including those imposed by the Western economic sanctions.

Ukrainian President Petro Poroshenko, for his part, will find it hard to spin the deal as his victory. It's no wonder he stormed out of the meeting room several times during the night and even told an AFP reporter that Russia's position in the talks was "unacceptable" — less than two hours before accepting the agreement. Both Merkel and Hollande placed a special emphasis on praising him in their remarks after the talks, and they also invited him to a European

Union summit in Brussels. Poroshenko's consolation prize is even if his country is still being violated, the Western leaders are willing to treat him as an ally.

Merkel said after the talks that she had "no illusions" and just a "glimmer of hope" that things will work out. It's true that any truce will be shaky. Fiercely patriotic Ukrainians who backed Poroshenko in recent elections, and especially the volunteer fighters in the east, are likely to consider it a betrayal of their efforts. The rebels and their Russian puppet-masters will still want territorial expansion and stronger guarantees that Ukraine will not become a full-blown member of Western alliances.

Still, if the artillery remains silent, Ukraine will finally get a chance to develop peacefully and to break with its post-Soviet habits of bad governance and endemic corruption.

Putin will get some much-needed economic breathing space and a path toward restoring a workable relationship with at least some Western partners.

And EU leaders will breathe a huge sigh of relief at having staved off interference by U.S. hawks, who have been insisting on arming Ukraine.

These are all worthy achievements, and the participants in the talks should be congratulated for not quitting. Even if this particular truce doesn't hold, it's clear there is a strong will to look for a lasting solution.

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Great War cost Europe a century

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When President Woodrow Wilson plunged the United States into Europe's carnage in 1917, he shed a century-long Republican tradition of anti-militarism and nonintervention in the quarrels of the Old World.

Needless to say, there was absolutely nothing noble that came of Wilson's intervention. It led to a peace of vengeful victors, triumphant nationalists and av- aricious imperialists — when the war would have otherwise ended in a be- dragged peace of mutually exhausted bankrupts and discredited war parties on both sides.

By so altering the course of history, Wilson's war bankrupted Europe and midwived 20th-century totalitarianism in Russia and Germany.

These developments, in turn, eventually led to the Great Depression, World War II, the Holocaust, the Cold War and the permanent U.S. Warfare State and its military-industrial complex.

Almost an entire century onward, let us imagine that the war ended in 1917 by a mutual withdrawal from the utterly stalemated trenches of the Western Front, as it was destined to.

There would have been no disastrous summer offensive by the Kerensky government, or subsequent massive mutiny in Petrograd that enabled Lenin's flukish seizure of power in November 1917.

The 20th century would not have been saddled with a Stalinist nightmare or with a Soviet state that poisoned the peace of nations for 75 years, while the nuclear sword of Damocles hung over the planet.

Likewise, there would have been no abomination known as the Versailles peace treaty. No "stab in the back" legends destabilizing Germany, owing to the Weimar government's forced signing of the "war guilt" clause.

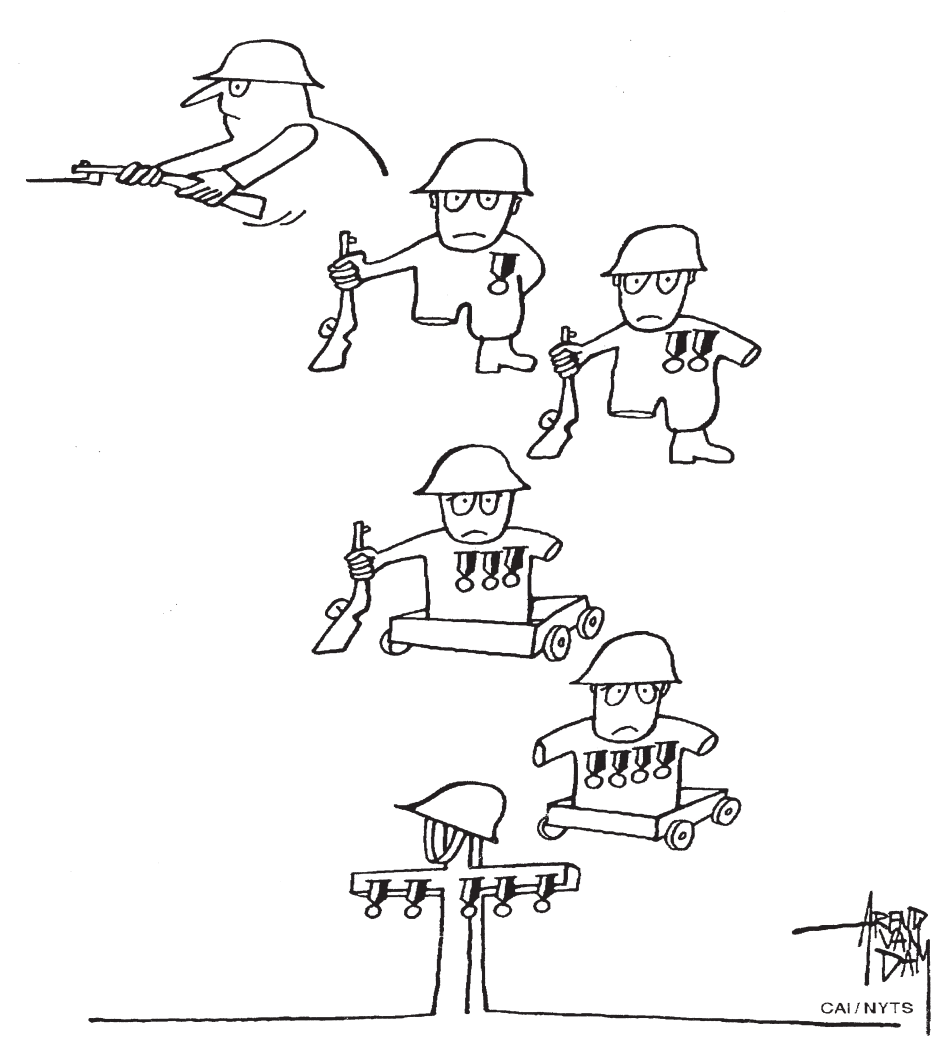
No continuance of England's brutal post-armistice blockade that delivered Germany's women and children into starvation and death and left a demobilized 3-million man army destitute, bitter and on a permanent political rampage of vengeance.

So too, there would have been no acquiescence in the dismemberment of Germany and the spreading of its parts and pieces to Poland, Czechoslovakia, Denmark, France, Austria and Italy — with the consequent revanchist agitation that nourished the Nazis with patriotic public support in the rump of the fatherland.

Nor would there have been the French occupation of the Ruhr and the war reparations crisis that led to the destruction of the German middle class in the 1923 hyperinflation. Finally the history books would have never recorded the Hitlerian ascent to power and all the evils that flowed thereupon.

Instead, the war of victors made possible by Wilson destroyed the liberal international economic order — relatively free trade, rising international capital flows and rapidly growing global economic integration — which had blossomed during the 40-year span between 1870 and 1914.

That golden age had brought rising living standards, stable prices, massive capital investment, prolific technological progress and pacific relations among the major nations — a condition that



was never equaled before or since.

Alternative history aside, let us also keep a few important facts about World War I straight: Proposition No. 1: Plenty of blame to go around.

The Great War was about nothing worth dying for and engaged no recognizable principle of human betterment. There were many blackish hats, but no white ones. It was an avoidable calamity issuing from a cacophony of political incompetence, cowardice, avarice and tomfoolery.

Sure, we can always blame the bombastic and impetuous Kaiser Wilhelm for setting the stage with his foolish dismissal of Bismarck in 1890, his failure to renew the Russian reinsurance treaty shortly thereafter and his quixotic build-up of the German Navy after the turn of the century.

But then we must also blame the French for lashing themselves to a war declaration that could be triggered by the intrigues of a decadent court in St. Petersburg — a court where the czar still claimed divine rights and the czarina ruled behind the scenes on the hideous advice of Rasputin.

Likewise, we must blame Russia's then-Foreign Minister Sazonov for his delusions of greater Slavic grandeur that had encouraged Serbia's provocations after Sarajevo.

And we must blame the doddering Emperor Franz Joseph for hanging onto power into his 67th year on the throne and thereby leaving his crumbling empire vulnerable to the suicidal impulses of his generals.

Blame also goes to the duplicitous German Chancellor Bethmann-Hollweg for allowing the Austrians to believe that the kaiser endorsed their declaration of war on Serbia.

And blame goes to Winston Churchill and London's war party for failing to

recognize that the Schlieffen Plan's invasion through Belgium was no threat to England, but an unavoidable German defense against a two-front war.

And let us not talk about such noble war goals as the defense of democracy, the vindication of liberalism or the thwarting of Prussian autocracy and militarism.

In London, Churchill and Kitchener were all about the glory of empire, not the vindication of democracy.

In any event, German autocracy was already on its last leg. And the Austro-Hungarian, Balkan and Ottoman mix of nationalities would have erupted in interminable regional conflicts anyway, regardless of who won the Great War.

In short, nothing of principle or higher morality was at stake in the outcome.

Proposition No. 2: What U.S. interest?

The war posed no national security threat whatsoever to the U.S. Presumably, of course, the danger was not the Entente powers — but Germany and its allies. But how so?

After the Schlieffen Plan offensive failed on Sept. 11, 1914, the German army became incarcerated in a bloody, bankrupting, two-front land war that ensured its inexorable demise.

Likewise, after the battle of Jutland in May 1916, the great German surface fleet was bottled up in its homeports — an inert flotilla of steel that posed no threat to the U.S. coast 6,400 km away.

As for the rest of the central powers, the Ottoman and Hapsburg empires already had an appointment with the dustbin of history.

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Twisted spending priorities of a graying nation

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We are gutting government. It is an extreme irony of the Obama presidency that a proud liberal — someone who believes in government's constructive role — is presiding over the harshest squeeze on government since World War II.

What's happening is simple: Spending on the elderly and health care is slowly overwhelming the rest of the federal government. Spending on other vital activities (from defense to financial regulation) is being sacrificed to cover the growing costs of a graying nation.

This is the central budget issue of our time. It is largely ignored, as it was in the recent unveiling of the administration's 2016 budget. President Barack Obama consistently avoids it; most Republicans take refuge in his silence. Without political leaders to define the debate, the media find it hard to clarify the conflicts and choices. Policy proceeds by default: Spending on the elderly receives a pass; cuts fall on other programs.

The result is a spectacular skewing of priorities. Anyone who doubts this should study the 2016 budget documents. Start with the Congressional Budget Office. Based on current laws, the CBO projects that annual federal spending will grow by \$2.6 trillion, or 75 percent, between 2014 and 2025. Almost 90 percent of the increase comes from three sources: Social Security, health spending (heavily tilted toward the elderly despite recent Medicare savings) and interest on the federal debt. Spending on most other programs doesn't keep pace with inflation.

We know this from Obama's budget documents. One table adjusts major spending categories for inflation and population increases. From 2016 to

2025, "real" population-adjusted spending grows 27 percent for Social Security and 24 percent for Medicare, while spending drops 19 percent for defense and 17 percent for "domestic discretionary" programs. ("Domestic discretionary" spending is a catch-all that includes law enforcement, housing, education, energy, food safety and more.)

What the dry figures don't convey is the degradation of government at the agency and program level. This is occurring, though documenting its extent is hard. Francis Collins, head of the National Institutes of Health, estimates that the agency's budget has lost nearly 25 percent of its purchasing power in the last decade. NIH used to approve one of three grant proposals; the ratio now is one of six.

Presumably younger researchers suffer most. Some public health problems (say, resistance to existing antibiotics) may be underfunded.

The Internal Revenue Service blames budget cuts and reduced staffing for delays in mailing refunds and responding to taxpayer questions. In 2014, only about two-thirds of callers got through to an agent, and waiting times averaged nearly 20 minutes. (In 2004, nearly 90 percent got through, with typical waiting times of 2½ minutes.)

The national parks have also been hit. Since 2010, their funding has decreased 12 percent in inflation-adjusted dollars, and the backlog of deferred maintenance has topped \$11 billion, says the National Parks Conservation Association, an advocacy group.

We are allowing demographics to determine national priorities. Nowhere is this more apparent than defense, which is scaling back (the army alone is cutting an estimated 120,000 active-duty troops from its wartime peak) just when foreign threats seem to be rising. So demographics even shape global strategy.

It's the path of least resistance. Ideally we would eliminate nonessential and ineffective programs (farm subsidies,

Amtrak), begin to trim Social Security and Medicare benefits (gradual increases in eligibility ages and lower benefits for wealthier recipients), and pay for the rest of government with higher taxes. But both Obama and Republicans evade this unpopular exercise.

Instead, they've embraced a policy of slow-motion spending strangulation. The problem is not the "sequester," which automatically cuts outlays. It is the spending limits required to stay within the outlay "caps" needed to avoid sequester. Though the effect in any single year is modest, the cumulative impact is huge.

Since 1990, spending on defense and domestic discretionary programs has averaged 7.4 percent of national income (gross domestic product). In 2014, that was 6.8 percent of GDP, near a post-World War II low. Under Obama's budget, it's projected at 4.5 percent in 2025.

At some point, this ratcheting down of spending may become politically unsustainable. (Note: Obama has already proposed increases for national parks.) To the extent that Obama's budget projections reflect unrealistic spending assumptions, future deficits are understated.

We all ought to want effective and efficient government. But government is being strangled as the rising costs of baby-boomer retirees reduce the capacity of other programs to fulfill their missions. Obama would worsen the problem. Unable to pay for existing programs, he would add more (for "free" community college and more preschool programs, among other things) that would intensify the competition for scarce funds.

Obama imagines himself a champion of better government. In reality, he is an agent of gutted government.

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